

Business.gov – BACKGROUND INFORMATION

One of the greatest challenges businesses face in dealing with the federal government is the large number of different agencies they must work with, each with its own set of regulations. Each agency organizes compliance information on its Web site differently, which could make finding this information more difficult. Business.gov is intended to address this problem, providing one Internet source for businesses seeking information on how to comply with government regulations. For the first time, businesses can go to one Web site to get this information.

The U.S. Small Business Administration, in a partnership with 21 other federal agencies, manages Business.gov, the official business link to the U.S. government. This partnership, known as Business Gateway, is part of a Presidential e-government initiative of the U.S. federal government to utilize technology to improve how the federal government services citizens and businesses. The Small Business Paperwork Relief Act (SBPRA) of 2002 requires that agencies name a staff contact for compliance assistance. The Web site Business.gov, with its new focus on compliance assistance as of October 2006, provides easy, one-stop access to those contacts as well as compliance information and federal forms from across the U.S. government.

Business.gov was first launched in October of 2004. The site has historically focused on starting, growing and managing a small business. Focus groups held by Business Gateway revealed that the current site could better serve businesses by focusing on cross-agency compliance assistance, a currently unmet need.

Greatest Burden on Small Business

All businesses, large or small, are subject to compliance burdens. Small businesses face the greatest burden of all, which is why Business.gov is so important for small businesses. Research conducted by the U.S. Small Business Administration, Office of Advocacy revealed the following:¹

- Very small firms with fewer than 20 employees spend 45% more per employee than larger firms to comply with federal regulations.
- These very small firms spend 4.5 times as much per employee to comply with environmental regulations and 67% more per employee on tax compliance than their larger counterparts.
- Businesses with less than 20 employees spend an average of \$7,647 per employee to stay in compliance.
- Firms with fewer than 500 employees represent **99.7%** of the 24.7 million businesses in the U.S.; the most recent data show there are only 17,000 large businesses.
- Small businesses generated 60-80% of net new jobs annually for the last decade.
- Small manufacturing firms pay double the cost of larger companies to stay in compliance with federal regulations.
- Small businesses must also comply with labor and safety regulations.

¹ U.S. Small Business Administration, Office of Advocacy, "FAQ" <http://www.sba.gov/advo/stats/sbfaq.pdf>.